

# INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE  
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 59-4

January 28, 1959

## "RECONSTITUTED TOBACCO"

### Manufacturers of tobacco products and dealers in tobacco materials:

**Purpose.** The purpose of this industry circular is to furnish instructions in respect to material variously referred to in the trade as "reconstituted tobacco," "homogenized leaf tobacco," "tobacco sheet," etc., used in the manufacture of tobacco products.

**Background.** This material is produced from tobacco scraps, stems, etc., and is usually formed into sheets or rolls. On the basis of examination and analysis of samples of such material as have come to our attention, we consider such material a form of tobacco materials as defined by Section 5702(1) of the Internal Revenue Code of 1954 and regulations thereunder.

**Accounting for Material.** This "reconstituted tobacco," etc., should be accounted for as tobacco material by weight (whether in sheets, rolls, bobbins, etc.,) in the records required by regulations in 26 CFR 270.142, 275.132, and 280.127 to be kept by manufacturers of tobacco products and dealers in tobacco materials.

**Submission of Samples When Used as Wrapper.** Because the law distinguishes between cigarettes and cigars on the basis of the kind of wrapper used, whenever "reconstituted tobacco," etc., is to be used as a wrapper, an official determination should be secured from this office, prior to marketing of the product, of the rate of tax applicable to the tobacco product on which it is to be used. Therefore, every manufacturer of tobacco products who intends to use such material as a wrapper for rolls of tobacco should submit an adequate sample of such material (about 400 square inches), and of the finished product if available, the brand name and kind of product on which it will be used, and any other information which may be pertinent to such determination. Such samples and information should be submitted to the Director, Alcohol and Tobacco Tax Division, Washington 25, D. C., Attention: Tobacco Tax Branch.

**Inquiries.** Inquiries in regard to this industry circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

A handwritten signature in cursive script, reading "Dwight E. Avis".

Dwight E. Avis  
Director, Alcohol and Tobacco Tax Division